

Message Text

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PAGE 01 LUBUMB 00188 221710Z

47

ACTION AF-08

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FM AMCONSUL LUBUMBASHI

TO SECSTATE WASHDC PRIORITY 1933

INFO AMEMBASSY KINSHASA

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E.O. 11652: N/A

TAGS: EGEN CG

SUBJECT: EXIM LOAN TO GECAMINES

REF: (A) STATE 274327; (B) STATE 277791; (C) LUBUMBASHI 187

1. CONTENTS REFTEL (A) CONVEYED TO GECAMINES DELEGATE GENERAL UMBA ON NOVEMBER 16 BEFORE ARRIVAL REFTEL (B) WHICH CAME IN POUCH THAT SAME AFTERNOON. REFTEL (C) PREPARED BASED ON UMBA'S INITIAL RESPONSE.

2. ON NOVEMBER 18 FINANCE DIRECTOR ROCHER REQUESTED MEETING WITH CONSULATE. HE PRESENTED FOLLOWING MESSAGE: "DUE TO RESCHEDULING OF EQUIPMENT LIST TO BE SUBMITTED TO EXIMBANK CREDIT, GECAMINES APPLIES FOR A SIX-MONTHS' DELAY FROM PRESENT (I.E., APRIL 1977) IN ORDER TO ACTIVATE THE NEW US \$20 MILLION CREDIT." WE INFORMED ROCHER THAT WE HAD EARLIER INFORMED UMBA THAT WE WERE NOT SANGUINE THAT EXIM WOULD BE FORTHCOMING.

3. WHEN ASKED ABOUT PAYMENT FACILITY, ROCHER SAID THAT GECAMINES OBJECTED TO HAVING TO PAY 1.5 PER CENT GUARANTEE FEE IN ADDITION TO SIGNING PAYMENT FACILITY. HE FELT THAT GECAMINES WAS BEING PENALIZED TWICE BECAUSE ZAIRE HAS NOT BEEN A GOOD CREDITOR. HE IMPLIED THAT IF ONE OR THE OTHER COULD BE ELIMINATED GECAMINES WOULD HAVE NO OBJECTION TO SIGNING. (HE SEEMED TO STRESS PREFERENCE FOR ELIMINATION OF GUARANTEE FEE). HE POINTED OUT

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THAT PREVIOUS EXIM CREDIT TO GECAMINES WAS DIFFERENT: CREDIT

NUMBER 2958 OF MARCH 29, 1971, HAD NO GUARANTEE FEE AND CREDIT
NUMBER 4048 OF NOVEMBER 6, 1972, HAD A 0.5 PER CENT GUARANTEE
FEE BUT NO SPECIAL PAYMENT FACILITY.

4. CONSULATE STILL HAS NOT RECEIVED SEPTTEL REFERRED TO IN
REFTTEL (B) AND IN ACCORDANCE WITH INSTRUCTIONS HAS NOT PASSED
SUBSTANCE OF MESSAGE.

5. CONSULATE BELIEVES IT WOULD BE BETTER FOR DEPARTMENT TO
MAKE INFORMAL INQUIRY REGARDING EXIM REACTION TO EXTENSION REQUEST
AND NECESSITY OF BOTH GUARANTEE FEES AND PAYMENT FACILITY RATHER
THAN FOR CONSULATE TO SEND SUCH INFO TO EXIM DIRECTLY. UMBA
STATEMENT REPORTED REFTTEL (C) FOLLOWED BY ROCHER'S COMMENTS MIGHT
SEEM LIKE GECAMINES WAFFLING, BUT CONSULATE BELIEVES UMBA'S
RESPONSE WAS A QUICK FIRST REACTION AND ROCHER'S A MORE THOUGHTFUL
REFLECTION OF COMPANY'S POLICY. IF DEPARTMENT CAN DETERMINE A
LIKELY REACTION FROM EXIM, CONSULATE WILL EITHER TRANSMIT THE
LATTER REQUEST OR INFORM GECAMINES THAT WE ARE VERY PESSIMISTIC
ABOUT EXTENSION POSSIBILITY.

6. UMBA IS PLANNING TO VISIT US ABOUT DECEMBER 6. WE BELIEVE IT
WOULD BE DESIRABLE TO CLARIFY ALL ISSUES IN ADVANCE. WOULD ALSO
LIKE TO BEGIN TO ORIENT HIM TOWARD PROPOSAL OF REFTTEL (B). IF AID
PROPOSAL NOT YET IN FINAL FORM, PERHAPS GIST OF IT COULD BE
TRANSMITTED TO CONSULATE AND FORMAL PROPOSAL PRESENTED IN
WASHINGTON. WE BELIEVE WE HAVE CONVINCED UMBA OF IMPORTANCE OF
CONTACTING AF/C UPON ARRIVAL IN WASHINGTON. DETAILED DISCUSSIONS
OF AID PACKAGE COULD BE ADDED INCENTIVE FOR MEETINGS WITH
DEPARTMENT, COULD PROVIDE FEATHER FOR UMBA TO BRING BACK TO ZAIRE,
AND COULD EMPHASIZE US CONCERN FOR GECAMINES' ACTIVITIES.
CONSULATE BELIEVES THAT, GIVEN UMBA VISIT, OPPORTUNITY IS
EXCELLENT.
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